

## Message Text

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OMB-01 DODE-00 PA-02 USIA-15 PRS-01 BIB-01 NIC-01

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DRAFTED BY: XMB:AMOHANIAN

APPROVED BY: EB/OCA/REP:BEBYRON

WARREN W GLICK ACTING EXECUTIVE VP

EB/EWT:RPRACHT

EB/IFD/ODF:RASWART

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R 132248Z MAR 75

FM SECSTATE WASHDC

TO AMEMBASSY WARSAW

UNCLAS STATE 056849

E.O. 11652: N/A

TAGS: APUB, PL

SUBJECT: PRESS RELEASE ON EXIMBANK CREDITS TO POLAND

FYI ONLY, FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK  
RELEASE ON THE DIRECT CREDITS TOTALLING \$2,779,365 IN FAVOR OF  
BANK HANDLOWY W WARSZAWIE, S.A. (HANDLOBANK). RELEASE IS  
SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON, DC FOR AM PAPERS,  
WEDNESDAY, MARCH 26, 1975.

QUOTE: EXIMBANK CREDITS TOTALLING \$2,779,365 SUPPORT \$9,264,550  
IN SALE OF U.S. EQUIPMENT TO COMPANIES IN POLAND

TO HELP FINANCE \$9,264,550 IN THE SALE OF U.S. EQUIPMENT TO  
COMPANIES IN POLAND, THE BOARD OF DIRECTORS OF THE EXPORT-  
IMPORT BANK OF THE UNITED STATES HAS AUTHORIZED TWO DIRECT  
CREDITS TOTALLING \$2,779,365 IN FAVOR OF BANK HANDLOWY W  
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WARSZAWIE, S.A. (HANDLOBANK), ACCORDING TO EXIMBANK'S

CHAIRMAN WILLIAM J. CASEY.

ONE CREDIT OF \$2,041,800 WILL FINANCE 30 PERCENT OF THE TOTAL U.S. COSTS OF \$6,806,000 FOR EIGHT STRAIGHT-SIDED AUTO BODY PRESSES AND TOOLING PURCHASED BY METAEXPORT, A POLISH TRADING COMPANY. A CREDIT OF \$4,083,600 FROM MANUFACTURERS HANOVER TRUST COMPANY, NEW YORK, WILL COVER 60 PERCENT OF THE TOTAL U.S. COSTS, AND HANDLO BANK WILL MAKE CASH PAYMENT OF THE BALANCE OF 10 PERCENT OR \$680,600.

VERSON ALLSTEEL PRESS COMPANY OF CHICAGO, ILLINOIS, WILL FURNISH THE PRESSES TO METAEXPORT FOR INSTALLATION IN AN EXISTING PLANT IN WARSAW. DELIVERIES OF THE PRESSES WILL START IN OCTOBER 1975 AND BE COMPLETED BY FEBRUARY 1976.

THE LOANS ARE TO BE REPAYED IN 10 SEMI-ANNUAL INSTALLMENTS BEGINNING JULY 5, 1976. INTEREST ON EXIMBANK'S DIRECT CREDIT OF \$2,041,800 WILL BE AT THE RATE OF 8 PERCENT PER ANNUM, WHICH WHEN BLENDED WITH THE PORTION OF THE CREDIT FROM PRIVATE SOURCES RESULTS IN AN ESTIMATED INTEREST COST TO THE BORROWER, BASED ON CURRENT RATES, OF ABOUT 10 PERCENT TO 10.25 PERCENT PER ANNUM.

THE SECOND EXIMBANK CREDIT OF \$737,565 WILL FINANCE 30 PERCENT OF THE TOTAL U.S. COSTS OF \$2,458,550 FOR FOUR COMPLETE LINES FOR PROCESSING PEAS. A CREDIT OF \$1,475,130 FROM PRIVATE SOURCES NOT YET DESIGNATED WILL FINANCE 60 PERCENT OF THE TOTAL U.S. COSTS AND HANDLO BANK WILL MAKE CASH PAYMENT OF THE BALANCE OF 10 PERCENT OR \$245,855.

THE EQUIPMENT TO BE FURNISHED BY FOOD MACHINERY CORPORATION OF SAN JOSE, CALIFORNIA, WILL BE FOR THE USE OF POLIMEX - CEKOP, THE POLISH COMPANY WHICH WILL INSTALL THE EQUIPMENT IN FACILITIES LOCATED IN ZIEBICE, ABOUT 210 MILES SOUTHWEST OF WARSAW; PULDISZKI, ABOUT 180 MILES WEST SOUTHWEST OF WARSAW; KWIDZYN, ABOUT 135 MILES NORTHWEST OF WARSAW; AND TOLKMICKO, ABOUT 160 MILES NORTH-NORTHWEST OF WARSAW.

THE LOANS ARE TO BE REPAYED IN 10 SEMI-ANNUAL INSTALLMENTS BEGINNING APRIL 15, 1976. EXIMBANK'S DIRECT CREDIT OF \$737,565  
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WILL BE REPAYED OUT OF THE LAST 5 INSTALLMENTS AT AN INTEREST RATE OF 8 PERCENT PER ANNUM, WHICH WHEN BLENDED WITH THE PORTION OF THE CREDIT FROM PRIVATE SOURCES RESULTS IN AN ESTIMATED INTEREST COST TO THE BORROWER, BASED ON CURRENT RATES, OF ABOUT 9.56 PERCENT TO 9.81 PERCENT PER ANNUM.

REPAYMENT OF THE EXIMBANK LOANS DESCRIBED ABOVE IS TO BE GUARANTEED BY THE GOVERNMENT OF THE POLISH PEOPLE'S

REPUBLIC. UNQUOTE INGERSOLL

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**TAGS:** APUB, PL  
**To:** WARSAW  
**Type:** TE  
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